



Media Contact:

Brian Meehan

Celtic, Inc.

W: 262.789.7630, ext. 133

E: brianm@celticinc.com

FOR IMMEDIATE RELEASE

Saving for College? Treasury and IRS Increase Flexibility for 529 Plans

LEXINGTON, Ky. (Jan. 7, 2009) – In response to a request from the College Savings Plans Network (CSPN) and other college savings groups, the U.S. Treasury Department (Treasury) and the Internal Revenue Service (IRS) have issued a ruling that allows 529 plan account owners to change their investment strategy twice per calendar year. Section 529 plans are tax-advantaged college savings vehicles which have become the preferred way for Americans to save for college.

Previously, owners of 529 college savings plan accounts could change their investment strategy once per calendar year. The new ruling – which is in effect for calendar year 2009 – is a direct response to current conditions in the financial markets and a desire to give investors more flexibility in managing their 529 plan accounts. CSPN is currently working with the Treasury and IRS in an effort to make this revised ruling permanent beyond 2009.

“We appreciate the steps the Treasury and IRS have taken to give 529 plan participants more flexibility when it comes to changing the direction of their account investments in 2009,” said Jackie Williams, executive director of the Ohio Tuition Trust Authority and immediate past chair and spokesperson for CSPN. “We also look forward to working with these agencies to provide 529 plan participants with continued flexibility and additional improvements that will make 529 plans even easier for American families to use as they save for their children’s higher education expenses.”

To learn more about this new Treasury/IRS ruling, go to www.IRS.gov. For more information about CSPN and 529 college savings plans, go to www.CollegeSavings.org.

Founded in 1991, the College Savings Plans Network (CSPN) is an affiliate of the National Association of State Treasurers (NAST). CSPN is a non-profit association representing states that administer 529 college savings and prepaid plans. One of the Network’s primary purposes is to educate families about the importance of saving for college and the benefits of 529 programs. Additionally, CSPN monitors federal activities and promotes legislative and regulatory changes that will positively affect Section 529 plans.

#

CollegeSavings.org